

The complaint

Miss B is unhappy that Zurich Assurance Ltd has declined a claim she made on her personal protection policy.

What happened

Miss B took out a personal protection policy. She made a claim following a diagnosis for breast cancer.

Zurich weren't able to accept the claim as Miss B brought to their attention that there was an error on the application form in relation to her medical history. This was because Miss B realised that Zurich weren't aware her mother had previously been diagnosed with breast cancer.

Zurich explained that if they'd been aware of this they'd have added an exclusion to the policy. Miss B complained to Zurich but they maintained their decision was fair. Unhappy, Miss B complained to the Financial Ombudsman Service.

Our investigator looked into what happened and didn't uphold the complaint. In summary, she said that Zurich had acted fairly, and in line with the relevant law. So, she didn't think Zurich had acted unfairly. Miss B didn't agree and asked an ombudsman to review the complaint. She didn't think Zurich had acted fairly and felt there was evidence of conflicting internal policies at Zurich. The complaint was passed to me to make a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm very sorry to read of the circumstances which led to Miss B claiming. I can understand that it was a very worrying and upsetting time for her. I have a lot of empathy with the circumstances she's described.

Miss B took out the policy through a broker. That business wasn't acting on Zurich's behalf and was responsible for the questions Miss B was asked. That means Zurich is not, in this case, responsible for the questions Miss B was asked during the sales process. It also means Zurich are entitled to rely on the information provided by the broker when making a decision about whether to offer cover. So, my decision focuses on whether Zurich was entitled to decline the claim.

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The relevant law in this case is The Consumer Insurance (Disclosure and Representations) Act 2012 (CIDRA). This requires consumers to take reasonable care not to make a misrepresentation when taking out a consumer insurance contract (a policy). The standard of care is that of a reasonable consumer.

And if a consumer fails to do this, the insurer has certain remedies provided the misrepresentation is - what CIDRA describes as - a qualifying misrepresentation. For it to be a qualifying misrepresentation the insurer has to show it would have offered the policy on different terms or not at all if the consumer hadn't made the misrepresentation.

CIDRA sets out a number of considerations for deciding whether the consumer failed to take reasonable care. And the remedy available to the insurer under CIDRA depends on whether the qualifying misrepresentation was deliberate or reckless, or careless.

Zurich says Miss B failed to take reasonable care when she was asked questions about her medical history. There's no dispute that Zurich weren't made aware of Miss B's mother's diagnosis during the application process and it's accepted that it was a genuine error. Miss B was proactive in bringing this to Zurich's attention when she realised the error.

Zurich says that if this information had been brought to their attention they would have applied an exclusion to the policy which would have excluded claims for breast cancer. Zurich has provided evidence which demonstrates that's the case. This means I'm satisfied that Miss B's misrepresentation was a qualifying one. I appreciate that Miss B feels there's evidence that Zurich had conflicting internal policies. But, based on the evidence I've been provided with, I'm satisfied that an exclusion would most likely have been applied. The underwriting information is commercially sensitive, but I hope it reassures Miss B to know that someone independent has reviewed it.

As I've already explained it's accepted that this was a genuine error and Zurich has therefore classified the misrepresentation as 'careless'. I think that's fair and reflects that this was an oversight rather than an attempt by Miss B to mislead Zurich about her medical history. So, I've looked at the actions Zurich can take in line with CIDRA.

CIDRA says that Zurich is entitled to add the exclusion to the policy from the point of the misrepresentation and assess any claim in line with this added. Therefore, as the exclusion would have excluded claims for breast cancer I'm satisfied that Zurich has fairly added the exclusion and declined the claim.

My final decision

I'm not upholding Miss B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss B to accept or reject my decision before 6 November 2025.

Anna Wilshaw
Ombudsman